

BUDGET SUMMARY

	FY 03 Adopted	FY 03 Projected	FY 04 Adopted Plan	FY 04 Adopted
Local Sales Tax	\$ 7,339,365	\$ 6,750,000	\$ 7,784,000	\$ 6,750,000
Transient Occupancy Tax	2,000,000	2,050,000	2,020,000	2,050,000
Meals Tax	3,839,000	3,925,000	4,020,630	4,075,000
Delinquent Taxes	5,000	20,000	5,000	40,000
Deeds of Conveyance	240,000	300,000	250,000	275,000
Bank Franchise Tax	217,635	217,635	228,516	210,000
Telecommunication Taxes	962,323	962,000	1,000,000	1,000,000
Recordation Tax	575,000	738,000	600,000	675,000
Other Local Tax Interest	5,000	2,500	5,000	2,500
Total	\$ <u>15,183,323</u>	\$ <u>14,965,135</u>	\$ <u>15,913,146</u>	\$ <u>15,077,500</u>

BUDGET COMMENTS

Other Local Taxes include the budget for the 1 percent **Local Sales Tax**. This tax is collected with the 3.5 percent State sales tax at the time of sale, and remitted to the County. Expected collections in FY 2003 include approximately \$125,000 in back payments from the State of Virginia for accounts belonging to James City County but remitted to other localities. When adjusted for these one time revenues, overall sales taxes are projected to increase less than 2 percent.

Transient Occupancy Room Tax revenues are those received from the 4 percent tax imposed on hotel, motel room sales, and rental condominium units. Half of this tax revenue is targeted toward tourism in compliance with State law. Receipts from this tax have been flat for the past few years and the projection for FY 2004 is to continue that trend.

The **Meals Tax** represents a tax on prepared food and beverages. The County levies a 4 percent tax. Because of the impact on tourism in the County, it is estimated that 70 percent of the revenue is generated by nonresidents of the County. A modest growth over FY 2003 collections is expected at 3.8 percent.

Deeds of Conveyance records revenue received from the tax imposed on conveyance of property deeds. The tax is based on the value of the property involved. This revenue source has continually risen but is projected lower than the expected collections for FY 2003 due to large land transactions that occurred in FY 2003 that are not expected to reoccur in FY 2004.

Bank Franchise Tax represents revenue received from the tax imposed on bank deposits in County bank branches, less certain allowable deductions. A slight decrease is expected in this area.

Telecommunications Taxes are assessed to recover capital and maintenance expenses of the County's enhanced 911 program and are collected as part of residential and commercial telephone bills. There is a \$1.20 maximum per line per month on both land lines and wireless phones. In addition, there is a 75-cent E-911 tax on each land line. Wireless phone owners pay a 75-cent 911 tax to the State.

The **Recordation Taxes** are fees levied for documents recorded at the Clerk of Circuit Court's Office. Fees vary based on the type of document and the value of real estate. The FY 2004 projection is lower than expected collections in FY 2003 as large land transfers are not anticipated to reoccur in FY 2004.